



DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

Sean Parnell, Governor
Emil Notti, Commissioner
Robert M. Pickett, Chairman

April 2, 2010

In reply refer to: Finance Section
File: PC42-1007K
LO#: L1000107

Bonnie Folz
Administrative Manager
King Cove, City of
3380 C St. Suite 205
Anchorage, AK 99503

Dear Ms. Folz:

On April 1, 2010, the Commission approved updated **Permanent** PCE levels in cents per kilowatt-hour (¢/kWh) for King Cove, City of (KING COVE), for the listed classes of customers as follows:

All	10.91¢
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The revised PCE levels are due to Commission approval of KING COVE's Fuel Cost Update submitted on March 19, 2010. The new PCE levels are effective for billings rendered after April 1, 2010. For your reference, copies of the Commission Staff's recommendations and schedules are attached as an Appendix.

The Commission reminds KING COVE of its continued obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

The Commission also reminds KING COVE of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, and/or efficiency of operation and advises KING COVE that failure to comply with those requirements could jeopardize its continued participation in the program.

If KING COVE believes that the calculation used to establish the PCE level in this Letter Order is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.


Letter Order-KING COVE
Page 2 of 2
April 2, 2010

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst Kevin AufDerHeide at (907) 276-6222.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA


for Robert M. Pickett
Chairman

cc: Jeffery Williams, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT**
REGULATORY COMMISSION OF ALASKA

SEAN PARNELL, GOVERNOR

701 WEST EIGHT AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY: (907) 276-4533
WEBSITE: <http://rca.alaska.gov>

DATE: April 2, 2010

INVOICE#: 42-1007K

DATE DUE: May 2, 2010

Bonnie Folz
Administrative Manager
King Cove, City of
3380 C st. Suite 205
Anchorage, AK 99503

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC42-1007K
LO #: L1000107

Fuel Cost Update under the Power Cost Equalization Program

Amount Due : \$ 39

TOTAL AMOUNT DUE: \$ 39

MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469

If you have any questions, please contact Joyce McGowan at (907) 263-2132 or
joyce.mcgowan@alaska.gov.

King Cove, City of

FILE #: PC42-1007K

Amount Due: \$ 39

LO #: L1000107

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum

Fuel Cost Update and Rate Change

Date: April 1, 2010

Utility Name (Cert. No.) City of King Cove	Utility File No. PC42-1007K	Date Filed: March 19, 2010
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PCE LEVEL SUMMARY	Previously Approved PC42-1007J	Staff Recommended Level(s) and Effective Date PC42-1007K
Class Rate	<u>Date Approved:</u> February 4, 2010	April 2, 2010
All	\$0.0988	\$0.1091
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		


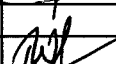
Prior Fuel Purchase Price: <u>\$ 2.5855</u>	New Fuel Purchase Price: <u>\$ 2.7686</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Weighted Average Fuel Price/Gal. Calculation					
	<u>Gallons</u>		<u>Price</u>		
On-hand before deliv.	46,000	X	2.5855	=	118,933.00
Delivered	100,114	X	2.8527	=	285,595.21
	<u>146,114</u>				<u>\$ 404,528.21</u>
					Weighted Average <u>\$ 2.7686</u>

Signed: Kevin AufDerHeide
Kevin AufDerHeide

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 4/1/10)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett				
Giard				
Lisankie				
Patch				
Wilson				

Special Instructions to Staff:

* If this column initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CITY OF KING COVE

POWER COST EQUALIZATION CALCULATION
 BASED ON TEST PERIOD ENDING JUNE 30, 2007
Fuel Cost Update and Rate Change

	PC42-1007J	PC42-1007K	
	Prior Approved	Utility Request	Staff Recommended
A.1 KWH Generated - Diesel	2,164,915	2,164,915	2,164,915
A.2 KWH Generated - Hydro	2,207,200	2,207,200	2,207,200
A.3 Total KWH Generated	4,372,115	4,372,115	4,372,115
B. Total KWH Sold (Appendix 2)	3,847,461	3,847,461	3,847,461
C. Total Non-Fuel Costs (Appendix 2)	546,484	546,484	546,484
D. Non-Fuel Cost/KWH (C / B)	\$0.1420	\$0.1420	\$0.1420
E. Total Fuel Costs (Appendix 2)	416,676	438,768	438,768
F. Fuel Costs/KWH (E / B)	\$0.1083	\$0.1140	\$0.1140
G. Eligible Costs/KWH (D + F)	\$0.2503	\$0.2560	\$0.2560
H. Eligible Cost/KWH (G) Less Base Rate in Effect	\$0.1091	\$0.1148	\$0.1148
I. Lesser of (H) or 85.88 cents/kWh	\$0.1091	\$0.1148	\$0.1148
J. Average Class Rates (Appendix 3) All	\$0.0988	\$0.1188	\$0.1188
K. Lesser of: (I) x 95%, or (J) All	\$0.0988	\$0.1091	\$0.1091
L. Funding Level in Effect	100%	100%	100%
All	\$0.0988	\$0.1091	\$0.1091

PC42-1007K
 Appendix 1

CITY OF KING COVE

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
 BASED ON TEST PERIOD ENDING JUNE 30, 2007

Fuel Cost Update and Rate Change

	PC42-1007J		PC42-1007K
	Prior Approved	Per Utility	Staff Recommended
Non-Fuel Costs:			
A. Personnel Costs	242,595	242,595	242,595
B. Operating Expense	91,924	91,924	91,924
C. General and Administrative	27,920	27,290	27,920
D. Depreciation	108,272	108,272	108,272
E. Interest Expense	76,403	76,403	76,403
F. Other (Describe)	0	0	0
G. Total Non-Fuel Costs	546,484	546,484	546,484
Fuel Costs:			
H. Gallons Consumed for Electric Generation	158,480	158,480	158,480
I. Price of Fuel:(cts per gal.) Weighted Average	\$2.5855	\$2.7686	\$2.7686
J. Total Cost of Fuel (H x I)	409,750	438,768	438,768
K. KWH Sales	3,847,461	3,847,461	3,847,461
L.1 KWH Generated - Hydro	2,207,200	2,207,200	2,207,200
L.2 KWH Generated - Diesel	2,164,915	2,164,915	2,164,915
L.3 Total KWH Generated	4,372,115	4,372,115	4,372,115
<div>Standard</div>			
M. Efficiency (N.2 / H) ≥ 12 (kWhs Gen-diesel per gallons consumed)	13.66	13.66	13.66
N. Line Loss - Station Service ≤ 12% (kWh generated - kWh Sold)/kWh generated	12.00%	12.00%	12.00%

Weighted Average Cost of Fuel

On Hand	46,000	x	\$2.5855	\$118,933.00
Delivered	100,114	x	\$2.8527	\$285,595.21
	146,114			\$404,528.21
				Wt. Avg
				2.7686

PC42-1007K
 Appendix 2

CITY OF KING COVE

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **All**

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to 500	0.2600		0.2600	130.0000		
to						
to						
to						
Max 500			Total	130.0000	0.2600	0.1188

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to						
to						
to						
to						
Max 500			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to						
to						
to						
to						
Max 500			Total			

CITY OF KING COVE

	Delivery Date	Gallons	Cost per Gallon	Delivery Mark-Up	Total Cost
Beginning Fuel Inventory		46,000			
Last Approved Fuel Cost/Gal.			2.5855		
Beginning Fuel Inventory in Gallons	X	Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory			\$ 118,933
Reporting Period Purchases	02/10/10	100,114	2.8527	-	\$ 285,595
Totals for Reporting Period Purchases on this sheet:		100,114			\$ 285,595
Grand Totals (beginning inventory plus purch		<u>146,114</u>			<u>\$ 404,528</u>
Total Cost for Reporting Period divided by Total Gallons for Reporting Period =					<u>\$ 2.8527</u>
Grand Total Cost divided by Grand Total Gallons =					<u>\$ 2.7686</u>